

**TOWN OF DAVIE  
TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Bryan Caletka/Council Member

**PREPARED BY:** Kristi Caravella, Assistant Town Administrator

**SUBJECT:** Resolution

**AFFECTED DISTRICT:** Townwide

**ITEM REQUEST:** **Schedule for Council Meeting**

**TITLE OF AGENDA ITEM:** A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, EXPRESSING ITS OPPOSITION TO OFFSHORE OIL AND NATURAL GAS DRILLING IN FLORIDA WATERS AS HAVING A DELETERIOUS IMPACT ON FLORIDA'S ENVIRONMENTAL AND ECONOMIC RESOURCES; OPPOSING HM563 REMOVING THE MORATORIA ON OFFSHORE DRILLING IN FLORIDA; DIRECTING THE TOWN CLERK TO TRANSMIT A COPY OF THIS RESOLUTION TO VARIOUS STATE AND FEDERAL OFFICIALS.

**REPORT IN BRIEF:** Florida's clear clean waters, world-class beaches and coral reefs draw millions of visitors each year, supports a \$53 billion tourism industry, a \$14 billion marine industry and a fishing industry that injects more than \$6 billion a year to Florida communities. Florida's tourism industry generated \$13.3 billion in payroll to more than 1 million Floridians directly employed in tourism and Florida's tourism industry generated more than \$65 billion in 2008 to Florida's economy and the sales tax revenue derived there from constitute a significant portion of the State's budget. In addition, Florida's leaders from both major political parties have historically recognized the value of our shorelines to our economy. Hurricanes Katrina and Rita resulted in 125 spills from platforms, rigs and pipelines totaling 685,000 gallons of oil lost into the sea and because oil prices are determined on the international market any impact that offshore drilling in Florida waters might have on the wellhead prices is expected to be insignificant and any oil spill event in the Gulf of Mexico would cause harm to Florida's tourism-based economy and could bring ecological damage to South Florida beaches by way of the loop current. In addition, oil spill events emanating from allowing offshore oil drilling in Florida's waters will significantly jeopardize Florida's pristine waters, world-class beaches, coral

reefs, and negatively impact the tourism industry and State revenue.

**PREVIOUS ACTIONS:** 2008-142 Opposition to oil exploration drilling

**CONCURRENCES:**

**FISCAL IMPACT:** not applicable

Has request been budgeted? n/a

If yes, expected cost: \$

Account name and number:

If no, amount needed: \$

What account name and number will funds be appropriated from:

Additional Comments:

**RECOMMENDATION(S):** Motion to approve resolution

**Attachment(s):**

RESOLUTION \_\_\_\_\_

OPPOSITION - A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, EXPRESSING ITS OPPOSITION TO OFFSHORE OIL AND NATURAL GAS DRILLING IN FLORIDA WATERS AS HAVING A DELETERIOUS IMPACT ON FLORIDA'S ENVIRONMENTAL AND ECONOMIC RESOURCES; OPPOSING HM563 REMOVING THE MORATORIUM ON OFFSHORE DRILLING IN FLORIDA; DIRECTING THE TOWN CLERK TO TRANSMIT A COPY OF THIS RESOLUTION TO VARIOUS STATE AND FEDERAL OFFICIALS.

WHEREAS, Florida's clear clean waters, world-class beaches and coral reefs draw millions of visitors each year, supports a \$53 billion tourism industry, a \$14 billion marine industry and a fishing industry that injects more than \$6 billion a year to Florida communities; and

WHEREAS, Florida's tourism industry generated \$13.3 billion in payroll to over 1 million Floridians directly employed in tourism; and

WHEREAS, leaders from both major political parties have historically recognized the value of our shorelines to our economy; and

WHEREAS, Hurricanes Katrina and Rita resulted in 125 spills from platforms, rigs and pipelines totaling 685,000 gallons of oil lost into the sea; and

WHEREAS, oil prices are determined on the international market, any impact that offshore drilling in Florida waters might have on the wellhead prices is expected to be insignificant; and

WHEREAS, any oil spill event in the Gulf of Mexico would cause harm to Florida's tourism-based economy and could bring ecological damage to South Florida's beach by way of the loop current; and

WHEREAS, oil spill events emanating from allowing offshore oil and natural gas drilling in Florida's waters will significantly jeopardize Florida's pristine waters, world-class beaches, coral reefs, negatively impact the tourism industry and State revenue;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. That the Town Council of the Town of Davie, Florida hereby expresses its opposition to permitting offshore oil and natural gas drilling within the waters of the State of Florida.

SECTION 2. That the Town Council of the Town of Davie, Florida hereby expresses its opposition to HM563 lifting the moratoria prohibiting exploration and production of oil and natural gas in federal waters surrounding Florida.

SECTION 3. That the Town Council urges other neighboring municipalities to oppose the repeal of moratoria on oil and natural gas drilling within the waters of the State of Florida and pass similar opposition resolutions as adopted by the Town.

SECTION 4. That the Town Clerk is hereby directed to provide an executed copy of this Resolution to Florida Governor Charlie Christ, the State Senate President, the State Speaker of the House, the Broward County Legislative Delegation to the State of Florida Senate and House of Representatives, the United States Senate for the State of Florida and to Broward County's Representatives in the United States House of Representatives.

SECTION 5. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

ATTEST:

\_\_\_\_\_  
TOWN CLERK

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010

## House Memorial

A memorial to the Congress of the United States, urging Congress to support the expiration and removal of moratoria prohibiting exploration and production of domestic supplies of oil and natural gas in federal waters surrounding Florida and to include Florida in revenue sharing resulting from the production of oil and natural gas in federal waters surrounding Florida.

WHEREAS, across party lines, Florida's representatives in Congress have long recognized the dependence of the state's tourist and agricultural economies on access to reliable and affordable petroleum products derived from oil and natural gas, and

WHEREAS, according to the Department of Revenue, Florida consumes approximately 26 million gallons of gasoline and diesel fuel per day and approximately 10 billion gallons of gasoline and diesel fuel annually, and

WHEREAS, the Public Service Commission expects Florida to increase total utility generation capacity derived from natural gas from 30 percent in 2005 to over 44 percent in 2014 to meet increasing electricity demand in the state, and

WHEREAS, Florida's industries, including fertilizer, agrochemical, plastic, manufacturing, bakeries, juice and food processing, pulp and paper, road construction, metals, restaurants, hotels, grocery stores, and research institutions, among many others, are heavily dependent on access to reliable and affordable natural gas, and

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29        WHEREAS, the United States has recently experienced record  
30        high prices for gasoline, diesel fuel, and natural gas, and

31        WHEREAS, the Energy Information Administration reports that  
32        global demand for oil has risen from 77 million barrels per day  
33        in 2001 to 85 million barrels per day in 2007, and

34        WHEREAS, the Energy Information Administration predicts  
35        that global demand for energy will increase 44 percent by 2030,  
36        requiring an additional 16 million barrels of oil per day and a  
37        46-percent increase in the production of natural gas, and

38        WHEREAS, according to the Energy Information  
39        Administration, the United States produces just 43 percent of  
40        the oil its citizens and residents consume and consumes 25  
41        percent of the oil produced globally, and

42        WHEREAS, the United States Department of the Interior  
43        conservatively estimates that around 116 billion barrels of oil,  
44        enough to power 65 million cars for 60 years, and around 651  
45        trillion cubic feet of natural gas, enough to power 60 million  
46        homes for 160 years, is recoverable from domestic sources, and

47        WHEREAS, the United States Department of the Interior  
48        conservatively estimates that around 233 trillion cubic feet of  
49        natural gas is recoverable from federal waters in the Gulf of  
50        Mexico, and

51        WHEREAS, development and production plans filed with the  
52        United States Department of the Interior in 1997 confirm  
53        potential resources for the daily production of up to 450  
54        million cubic feet of natural gas in a small portion of the  
55        Eastern Gulf of Mexico off the Florida Panhandle known as Destin  
56        Dome, and

57           WHEREAS, technological advances and environmental  
58 partnerships have enabled the energy industry to achieve new  
59 levels of safety and ecological protection while producing oil  
60 and natural gas in federal waters, and

61           WHEREAS, domestically, the Outer Continental Shelf produces  
62 1 million barrels of oil per day, and, according to the National  
63 Academy of Sciences, since 1980 less than 0.001 percent has  
64 slipped into the sea, which is less than the amount of naturally  
65 occurring oceanic seepage, and

66           WHEREAS, Hurricanes Katrina and Rita, which in 2005  
67 battered the Gulf of Mexico and nearly 3,000 oil platforms  
68 directly in their paths with major hurricane force winds and  
69 100-foot seas, caused no loss of life among offshore energy  
70 industry personnel or significant spills from offshore oil wells  
71 on the Outer Continental Shelf, according to the United States  
72 Department of the Interior, and

73           WHEREAS, in 2008, Hurricanes Ike and Gustav followed very  
74 similar paths to Hurricanes Katrina and Rita and caused far less  
75 damage, attesting to the progress made by the industry in  
76 implementing enhanced oil platform and infrastructure standards,  
77 and

78           WHEREAS, Florida continues to have a successful history of  
79 oil and natural gas production in environmentally sensitive  
80 areas such as the Everglades dating back to 1943, and

81           WHEREAS, according to the Department of Environmental  
82 Protection, Florida oil and natural gas fields have produced  
83 more than 548 million barrels of oil and more than 630 million  
84 cubic feet of natural gas since 1943, and

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85           WHEREAS, in exchange for a 125-mile drilling buffer in the  
86 Gulf of Mexico, Florida declined to participate in the 2006 Gulf  
87 of Mexico Energy Security Act that provides 37.5 percent of all  
88 federal oil and natural gas revenues, including lease sales and  
89 production royalties, to Gulf Coast states, and

90           WHEREAS, the initial Eastern Gulf of Mexico Sale 224 in the  
91 2006 Gulf of Mexico Energy Security Act generated in excess of  
92 \$64 million, 37.5 percent of which went directly to Texas,  
93 Louisiana, Mississippi, and Alabama, and

94           WHEREAS, revenue sharing prescribed in the 2006 Gulf of  
95 Mexico Energy Security Act will extend to all new production in  
96 the Gulf of Mexico in 2017, and, as a result, Louisiana  
97 estimates it will generate more than \$650 million per year, and

98           WHEREAS, without a change in policy, Florida will continue  
99 to be excluded from sharing additional revenues and royalties  
100 related to lease sales and production royalties associated with  
101 the development of oil and natural gas resources in the Gulf of  
102 Mexico, NOW, THEREFORE,

103  
104 Be It Resolved by the Legislature of the State of Florida:

105  
106           That the Congress of the United States is urged to support  
107 the expiration and removal of moratoria prohibiting exploration  
108 and production of domestic supplies of oil and natural gas in  
109 federal waters surrounding Florida and to include Florida in  
110 revenue sharing resulting from the production of oil and natural  
111 gas in federal waters surrounding Florida.

112           BE IT FURTHER RESOLVED that copies of this memorial be

F L O R I D A   H O U S E   O F   R E P R E S E N T A T I V E S

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113 | dispatched to the President of the United States, to the  
114 | President of the United States Senate, to the Speaker of the  
115 | United States House of Representatives, and to each member of  
116 | the Florida delegation to the United States Congress.